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Major News Releases and Speeches

Dec. 24 - Jan. 7, 1983

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Speeches

U.S. Department of Agriculture • Office of Governmental and Public Affairs

Remarks prepared for delivery by William G. Lesher, assistant secretary for economics, U.S. Department of Agriculture, before the Ninth Annual Agricultural Leadership Conference of the First National Bank of Dothan, Dothan, Ala., Jan. 6, 1983.

U.S. Agriculture: A Time To Work Together

Agriculture today is undergoing some difficult financial times—farm prices are too low; net farm income is too small; the farm debt is too heavy; and interest rates on existing debts are excessive. These problems constantly highlight the current agricultural news.

It is only natural to point the finger of blame at someone. The truth of the matter is that the factors affecting the farm economy today are complex and are not the fault of any one person, group, or even country. Solutions to our current agricultural problems will require our agricultural leaders to work together, domestically and internationally. This is why I was pleased to have this opportunity to meet with the agricultural leaders of the Southeast and discuss the concerns we all share for the future of the agriculture sector in this country.

Let me begin by reviewing the developments which have shaped our current farm problems.

The Evolution Of Our Current Farm Problems

Many of the forces that shaped our present farm problems are longer term factors in U.S. agriculture and in world economic interrelationships. That's why it's so difficult to counteract them or offset their effects on farmers in the near term.

Increasing Exports Stimulated Farm Output Expansion

The tight world food situation of the early seventies triggered a decade of expansion by American farmers and increasing reliance on foreign markets, which today account for two out every five acres that farmers plant.

U.S. farm exports tripled between 1971 and 1981, in response to rapid growth in the world economy and population. Farm exports were

also enhanced by the declining value of the U.S. dollar during this period. Our own economy was generally buoyant, producing strong growth in domestic demand, especially for livestock products. Farm prices rose through the seventies and the underlying price support levels were ratcheted upward. These events, coupled with appreciation of the dollar, have elevated the domestic price "floors" beneath grain, cotton, oilseeds, sugar and dairy prices.

With plentiful and easy credit and rising land values during the 70's, farmers found it advantageous to escalate borrowing and make heavy capital investments. Results were dramatic indeed. Between 1971 and this year, farmers increased the area planted to principal crops—excluding hay—by more than 60 million acres. Heavier input use, availability of yield-boosting technology and recent ideal weather have pushed yields to new heights. Crop production per acre today is 17 percent above that of a decade ago. The combined effect of expanded crop acreage and rising yields has been to thrust U.S. crop production upward by fully one-fifth over the past decade. Livestock production also expanded, rising by 7 percent over the period.

With rising prices and land values, farmers who borrowed to expand their operations tended to earn a better rate of return than those with higher equity. Rapid inflation in recent years fueled additional borrowing to cover annual production expenses. Consequently, farm debt has tripled in the last decade, and interest payments now account for one dollar in every seven that farmers spend for their operation.

This expansion was followed by a period of reduced incomes during the last three years. This has greatly increased the difficulty of making large adjustments in production in response to current conditions. For example, crop producers who have heavy debt payments to meet and large investments to protect have less flexibility to reduce production.

Livestock producers were forced to cut output this past year after several years of unfavorable returns. Now livestock prices are up and feed prices down. Yet, apparently because many producers are financially strapped, it appears they are much more cautious about gearing up for expanded production.

Global Demand Has Changed Course

American farmers have become especially vulnerable to fluctuations in world trade and world market prices. For the past several years, U.S. and world crop production has set new records, but global demand for agricultural products has switched from a high-growth path to one of little or no growth.

The world economic problems of the early 80's have had a depressing impact on consumption of agricultural products. For example, during the last two decades, global coarse grain consumption rose on average about 16 million tons per year as diets were upgraded with more animal-product foods. Yet, since 1979-80, growth in meat production has stopped and coarse grain consumption has nearly flattened out. World wheat consumption, which had increased by over 10 million tons annually during the past two decades, has increased by only 10 million tons since 1979-80. Cotton consumption is in a similar situation, since mill use is sensitive to economic conditions. World soybean usage, however, has continued about on trend.

U.S. farm exports dropped for the first time in 13 years during the fiscal year ending in September 1982. Volume dropped 2 percent below the previous fiscal year, but value plunged 11 percent because of lower prices. Corn exports were hardest hit, dropping by 10 million metric tons and $3 billion in value. However, cotton exports rose from the depressed fiscal year 1981 levels and wheat and soybeans broke earlier volume records. Exports of animal products equaled the record level of the previous fiscal year.

The sources of strength in our agricultural exports have been eroded by a variety of factors; weak economic conditions throughout the world, financial instability in a number of countries, the strong U.S. dollar, losses related to the Soviet embargo, continued East-West tensions, unfair trade practices by some of our competitors, and restrictive market actions by some of our buyers.

The world is in the grip of recession. The industrial market economies barely grew in 1982, and the U.S. economy declined. Developing countries, important to agricultural trade, grew by about 2.3 percent in 1982, well below the 5.4 percent annual growth rate for 1970-79. Thus, more production is available in the face of weakened demand. As a result, prices have dropped and stocks have accumulated.

Trade tensions have heightened and will remain so until the economic situation improves.

U.S. recovery will help stimulate other economies, but the process will take time. The industrial market economies may grow only around 1-1/2 percent in 1983, and developing countries by 3-1/2 percent. But even this stimulus to incomes, and hence demand for farm products, will be tempered by lingering high unemployment levels.

A large number of countries have had financial crises that have forced them to curtail food imports. The financial problems of Eastern Europe and Mexico have been the most devastating to our trade. U.S. grain exports to these markets dropped by over 40 percent—about an 8 million ton reduction—in 1981-82 and have recovered very little in the current season.

Foreign investors, seeking a haven of safety and high interest rates, have been helping drive up the dollar's value. Even though interest rates in the United States have recently dropped, they still offer favorable real returns to foreign investors. With an economic recovery in prospect here, the dollar is not likely to weaken greatly in 1983.

The strong dollar increases the price of our farm products to foreign customers. Over the past year, our farmers have received sharply lower prices, but after accounting for exchange rates, prices importers pay are rising. For example, even though the price of wheat was declining in domestic markets, the price to many foreign purchasers in terms of their currencies grew by 35 percent over the last two years. More importantly, in a longer term sense, the dollar appreciation has accelerated the increase in our price floors in the eyes of our customers. Since there is little likelihood of a significant weakening of the dollar, our farm exports will continue to be adversely affected.

Our share of Soviet grain imports slipped from around 70 percent in the late 1970's to 17 percent following the U.S. embargo with the Soviet Union in 1980. It recovered to over 30 percent in the past year. The problem of reliability, coupled with continued East-West tensions, continues to cloud our trade prospects with the Soviet Union. Although the Soviets harvested a fourth poor grain crop in 1982, estimated at around 180 million metric tons, grain imports during 1982-83 will be smaller. Thus, the United States will have to work hard to recover a larger share of the Soviet market. The president has taken numerous

actions to reassure our trading partners, but regaining our reputation as a reliable supplier will take time. It will take years to overcome the negative impacts of the embargo.

Our farm export markets also are being seriously undercut by unfair competition from the European Community and other nations. The EC has become the second largest exporter of farm products by spending upwards of $7 billion annually in subsidies. For example, in the Middle East the EC share of the whole chicken import market rose from only 3 percent in 1964 to 46 percent in 1980. During the same period, the U.S. share of the Middle East whole chicken import market declined from 97 percent to 13 percent.

We have made little headway in our discussions with the EC informally or formally through the procedures provided under the General Agreements on Trade and Tariffs—GATT. However, we have recently begun a program of "blended credit" that combines interest-free direct credit with government-guaranteed private credit. While small, it indicates that if necessary, we are prepared to take steps to improve the competitiveness of our exports. It is essential that we continue to pursue policies that help us maintain our market shares until others reduce the enormous subsidies and subject their farmers to market forces.

Large Output And Rising Stocks Boost Global Supplies

Following two reduced grain harvests in 1979 and 1980, excellent weather in 1981 pushed world grain production to nearly 1.5 billion metric tons.

Larger U.S. crops were an important factor in the global increase. In 1982, with widespread good weather, world grain production surpassed the 1.5 billion ton mark. U.S. grain output topped its 1981 record. Grain production increased in a number of importing countries, especially the Soviet Union and China. Weather also contributed to a sharp jump in world production of oilseeds in 1982, another large sugar crop, and large cotton crops in foreign countries. These weather-related developments will tend to have a negative effect on our trade during the next year.

With consumption of agricultural commodities depressed by deteriorating economic conditions for the last several years, rising

production has caused stocks to accumulate sharply, particularly in the United States. We forecast that by the end of the 1982-83 marketing year, world grain stocks are likely to reach about 260 million tons, nearly 83 million tons higher than two years before. This would be equal to two months' supply of grain, the highest global stocks-to-use ratio in more than a decade. The measure of food security that these stocks would provide must be balanced against their lopsided distribution, since over 150 million tons—or nearly 60 percent—will be located in the United States. These levels of carryover stocks are simply too large for the U.S. to hold as they depress prices no matter how tight free stocks become. We have seen sharp reductions in free stocks in recent years as the farmer-owned reserve was activated to strengthen markets. However, prices responded very little since domestic and foreign buyers, aware of the large stock overhang, were taking hand-to-mouth inventory positions and delaying purchases until new crop harvest-time pressures could offset any tightening in free stocks.

U.S. stocks of nearly all major commodities are expected to increase dramatically. By the end of the current 1982-83 crop year, compared with two years earlier, our ending stocks of rice and coarse grain will have tripled. Cotton stocks will be nearly three times larger than two years before. Wheat stocks will be half again as large, and U.S. soybean stocks will have risen by over one-third.

We are strongly advising our farmers to take advantage of 1983 farm programs to reduce acreage and better balance supply and demand. We are also concerned that other exporting nations are not exercising similar measures of restraint. All nations must realize that everyone cannot continue to subsidize their surpluses into the world market to support artificially high prices internally.

Stocks are too large, production increases too great and demand is too weak for the market to absorb the surplus. Production adjustments must be made.

What Can Government Do?

Reviewing the evolution of our current problems can provide some guidance as to what actions should and should not be taken. I think it is particularly useful in clarifying what government can do.

There are some things that government can do.

Farmers' No. 1 market is the domestic commercial market. The condition of that market depends on the strength of the economy. Thus, the first priority of government is to help build and maintain a vibrant, strong and expanding job-making economy.

We have made a good start in the last 22 months. The 1980 inflation rate of 13-1/2 percent has been cut to about 5 percent. The prime interest rate of 20 percent or more in 1980 has been cut to 11 percent—and every one-point drop in interest rates on the outstanding farm debt has the potential to raise farm income 10 percent. In December, the prices that farmers pay for all commodities—including services, interest, taxes and wage rates—were3.3 percent higher than a year ago, compared with a 12 percent increase in 1980.

Farmers' No. 2 market is the export market. The rules of international trading are set by governments. So our government has a responsibility to help American farmers capitalize on their efficiency by working to keep international agricultural markets competitive; to free up trade restrictions; and to counteract subsidized farm exports where American farmers must compete against foreign treasuries.

Where our government is not successful in freeing up trade, or removing obstacles, or reducing foreign export subsidies, then we need to aggressively protect our markets. We favor using a greater share of our available public funds in aggressive programs to expand exports. Recently, we announced a three-year $1.5 billion "blended credit" program—interest-free direct export credits blended with government guaranteed private credit—to expand agricultural exports through lower interest rates on those exports.

We don't think the American public wants the government to sit by while our farm exports suffer. Every American has a stake in our farm exports, since those exports create a favorable balance of agricultural trade that compensates for our deficits in industrial trade. Our strong favorable balance in agricultural trade benefits every American who uses petroleum or imported consumer goods. Every $1 billion in agricultural trade creates an additional $1 billion in U.S. economic activity; that means jobs—35,000 jobs for each additional $1 billion in exports.

We must maintain our credibility as reliable suppliers. That reputation has been tarnished only by our government in the past, not by farmers and their ability to produce and be competitive. The Reagan administration has a strong policy to support farm exports. That must and will be maintained.

The government also has a proper role in helping farmers make temporary economic adjustments. We can help farmers adjust production. We announced the 1983 farm commodity programs early. They are voluntary. We fully expect that many more farmers will be using them in 1983.

We can offer farmers loans on their crops to carry them over harvest gluts and periods of unusual production. We provided a record $12 billion in financial assistance to farmers in fiscal 1982, and while there is clearly a limit to this, I think two facts must be pointed out to keep these outlays in the proper context.

First, $6 billion of the $12 billion in outlays in fiscal 1982 was in the form of commodity-secured loans that farmers will repay or turn the commodities over to the government to sell. Secondly, the additional $5-6 billion spent in 1982 to keep agriculture viable has to be weighed against the longer term benefits agriculture provides to the general economy.

A viable, productive agriculture provides the American consumer with a stable supply of high quality food at one of the lowest costs in the world. Agriculture's record output has been instrumental in keeping the farm sector's share of food price increases over the last three years to less than 12 percent, compared to a 33 percent general rate of inflation. If farm price increases had matched the general inflation rate, American consumers would be spending $15 billion more for food this year. In addition, had farm prices increased at the general rate of inflation, both the government and the private sector would be paying $5 billion or more in 1982 in payments for food stamps, welfare and related federal programs, and public and private retirement tied to the cost of living. These savings, coupled with the contribution that agricultural export earnings make to the U.S. trade balance and increased employment, more than offset outlays to support agriculture, even after providing for 1982's unusually large total.

We can help farmers insure against natural risks with an aggressive crop insurance program. We have that kind in place; we are continuing to make improvements in it.

The Farmers Home Administration is working closely with the American banking community, and with the Farm Credit System, to help farmers find operating credit. In fiscal 1982, the Farmers Home Administration shared with private lenders in participation lending for 30,000 loans. That was nearly double the participation loans the year before.

Perhaps we can do more to emphasize research on new uses for farm products. We maintain a strong research program to increase farm production and reduce farm costs—it seems only logical that we also emphasize research and pilot projects to find new uses for the increased production.

Our common desire to rejuvenate U.S. agriculture should not blind us to the dangers of asking government to go beyond what history has shown to be its capabilities. We may have to consider some dramatic and innovative approaches to our current problems, but there should be no doubt in anyone's mind that a strong, market-oriented agricultural policy with minimum government intervention is the final solution—but how do we get there from here?

Our Problem May Be Our Answer

By the end of the 1982-83 crop year, we will have more than 150 million tons of grain in our ending stocks—2-1/2 times what we had just two years ago. This will represent 60 percent of the world's total grain stocks and is 40 percent more grain than we normally export in one year to all destinations. Until we can reduce these stocks, prices are not going to improve greatly.

There is widespread agreement that a massive land diversion program is needed and the Reagan administration has been actively examining the possibility of using our problem—surplus stocks-to achieve the much needed acreage reduction.

Payments-In-Kind Program

A PIK program would call for payments-in-kind to farmers who agree to reduce their production beyond what is called for in the 1983

programs for wheat, corn, grain sorghum, rice and upland cotton. The basic concept of PIK is that farmers are offered an amount of commodity as payment for reducing additional acreage.

The PIK program has several appealing and unique features:— Production can be reduced beyond that expected under the 1983 programs for wheat, corn, grain sorghum, rice and upland cotton, and thus bring supply back into closer balance with demand.

— Stocks can be reduced at the same time that production is cut back, lessening the overhang on the market at harvest next year and enhancing the prospects for a market-led recovery in farm prices and incomes in future years.

— The availability of market supplies will be maintained, signaling to exporters and importers that the United States fully intends to remain a reliable and consistent supplier when production adjustments are made. To meet our long-term export and food aid commitments, adequate reserves will be maintained.

— Government outlays for domestic programs—e.g., loan volume, storage payments, deficiency payments—should decline.

— The PIK program, unlike other emergency measures, is self-terminating when excessive stocks have been worked off.

— Farmers would have the same or greater net returns while stocks are being reduced.

— Sound conservation practices would be applied to a larger amount of acreage.

— Storage space problems would be lessened.

The program is currently under active consideration and many of the details are still being developed. We would have announced some type of PIK program by now if the Congress had clarified some issues concerning our legal authorities to operate such a program. But the Congress failed to do so and we are now in the process of determining whether we can administer an effective PIK program using current authorities. No decisions have been made. However, in broad terms, such a program could be operated in the following manner, recognizing that numerous variations are still being considered.

Possible Plan

The government would offer farmers an amount of commodity—expressed as a percentage of their base program yield per acre—for reducing acreage beyond what is called for in the 1983 programs for wheat, feed grains, rice and upland cotton.

The commodity offer could be less than 100 percent of the quantity taken out of production since production costs are avoided by the farmer, who could receive the same or greater net returns on fewer bushels.

Stocks; Commodity stocks offered would most likely come from the farmerowned reserve, existing Commodity Credit Corporation holdings, and regular loan stocks if necessary.

Eligibility; Participation in PIK would be conditional on participation in the regular reduced acreage program. Acreage withdrawn under PIK would be in addition to the regular program.

Amount of Reduction: Initial plans would be to offer reduced acreage participants a certain amount of commodity for withdrawing an additional 10 to 30 percent of their base. The farmer will decide how much to withdraw within that range. The amount of commodity offered for withdrawing acreage has not been established to date.

The possibility would exist that if the 10-30 percent offer failed to reduce a sufficient amount of acreage, a supplemental mechanism would be activated to encourage withdrawal of the entire base acreage for a commodity on some farms. The following procedure would assure a smooth implementation of the supplemental mechanism.

At the time producers sign up for PIK, they can also bid on how much commodity they would need to receive per acre from the Government to withdraw their entire base acreage. Then, if USDA decided to implement the supplemental mechanism of allowing entire base acreages to be withdrawn, the lowest bids from producers would be accepted first.

In summary, farmers would have the option of; (1) participating only in the regular farm program; (2) participating in the regular program, plus the 10-30 percent PIK; or (3) withdrawing their entire base acreage if their bid is accepted; (4) not participating at all.

Payment Procedure: Certificates for the commodity would be issued to participants and could be redeemed for ownership sometime after the

first day of the marketing year for each commodity. The 1983 marketing year begins Oct. 1 for corn and grain sorghum; June 1, wheat; and Aug. 1, rice and cotton. These dates would be adjusted to reflect normal regional differences in harvest dates.

After participants take ownership, they would be responsible for marketing decisions and would have 4-6 months to take delivery of the commodity.

In cases where insufficient stocks are available locally for physical transfer of the commodity to the farmer, other options would be considered. Under one option, a farmer could assume ownership of the commodity at the location where it is stored. Other options are also being considered. This massive land diversion program is not by itself a complete solution—indeed it is only a step in the direction of restoring health to the farm sector. The program has the potential of reducing planted acreage an additional 10-15 percent below current programs and reducing grain stocks by over 1 billion bushels. While the program achieves a stock and supply adjustment to current demand conditions, it does not enhance the underlying demand for our commodities. Numerous proposals are now being evaluated to help the farm economy and increase demand.

In addition to supporting the PIK program, the Reagan administration has also endorsed the international donation of commodities and measures to moderate production incentives and maintain price competitiveness in world markets.

International Donation Of CCC Commodities

The United States has been blessed with the ability to produce agricultural products beyond its own needs. With so many hungry people in the world, it seems only reasonable—in fact, responsible—that some of this bounty be shared.

We will need Congress to give the secretary of agriculture the authority to distribute surplus CCC grain stocks to the needy in other parts of the world. Authority should be granted under Section 416 of the Agricultural Act of 1949, as amended, to distribute stocks of wheat, feed grains, rice and other commodities. Such authority was recently provided for surplus CCC dairy products. It should be extended to allow distribution of other commodities through public and nonprofit

private humanitarian organizations. To assist in such donations, the CCC should be authorized to pay for any necessary repackaging, transportation, handling and related charges. These donations would be in addition to PL-480 and other forms of U.S. aid already in place. Also, if the program is implemented, the commodities would be targeted in a way that does not compete with commercial sales abroad.

Moderating Production Incentives And Maintaining Price Competitiveness

The artificial umbrella over world prices that we have created through the persistent upward ratcheting of our domestic support prices during the past inflationary spiral has served to encourage producers in other countries to increase production. This surplus production is then subsidized into the world markets we desperately need if we are to keep our agricultural base fully employed. We need to send the right signal to producers in this country as well as around the world.

Dairy is an excellent example of my concerns. For the last several years, dairy farmers have been responding to rising milk support prices rather than to actual demand levels. They have increased the dairy herd and production per cow in the face of excess supplies. Now, under pressure to reduce milk output, they have three hard choices: cutting back production, switching to other enterprises, or finding work off the farm. No one likes these choices, but there are no alternatives. We may find ourselves in the same situation with grains.

The 1981 Farm Act mandates that the target prices for wheat, feed grains, rice and cotton be increased each year over the life of the bill. While these increases may have seemed fairly reasonable in the context of the rapid inflation of 1980-81, we have seen dramatic improvement in reducing the rate of inflation. The mandated increases in the target prices now provide incentive for production increases at a time when moderation is needed. Production costs only went up 3 percent in 1982, and many input prices are now actually lower than a year ago. We must make sure that after stocks are reduced significantly, we do not have price supports and target prices that would get us back into the same situation we are in today.

Thus, the secretary of agriculture needs the authority to determine the appropriate target level, but not lower than 1983 levels. This authority should apply though the 1985 crop year.

Agriculture At A Crossroad

Agriculture is a vital industry in the U.S. economy. It is vital domestically and vital to the international interest of the United States. Broadly defined, agriculture is the nation's largest industry with assets equal to about 88 percent of all U.S. manufacturing corporations. Agriculture also is the nation's largest employer. The value added to farm products as they flow through the economic system amounts to 20 percent of the Gross National Product and requires the services of more than 23 million people, or about 22 percent of the labor force.

There is clearly no substitute for a strong, market-oriented agricultural policy with minimum government intervention. However, the present situation of burdensome supplies and weak demand calls for some bold, innovative actions to get agriculture back on course.

We want to get the best thinking we can find to help us chart a sound and successful course for the nation's agriculture. We don't have all the answers, but I am optimistic that we can work together and get the job done. We are not afraid to look at the tough problems and evaluate new and difficult solutions that might be proposed. Some were critical of us discussing the PIK proposal without all the specific details clarified. I don't understand this. We knew that some innovative actions had to be taken and we wanted everyone's input before we took action. I think it was the correct action and I think producers feel they now have an opportunity to make an input before the program is offered to them. The problems are difficult and everyone needs to be a part in the solution.

As agricultural leaders, you know that agriculture is at a crossroad and we will be embarking upon policies that will chart the direction we will go for some time in the future. The choices will be made very soon and we seek your insights and welcome your suggestions.

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News Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

USDA ANNOUNCES 7-CENT PRODUCER CONTRIBUTION FOR FLUE-CURED TOBACCO

WASHINGTON, Dec. 23—As a condition for price support on 1983 flue-cured tobacco, producers must agree to contribute 7 cents per pound to a no-net-cost tobacco fund on all flue-cured tobacco sold, a U.S. Department of Agriculture official said today.

The contributions ensure that the tobacco support program will be operated at no net cost to taxpayers in conformity with the No Net Cost Tobacco Program Act of 1982, said Everett Rank, administrator of USDA's Agricultural Stabilization and Conservation Service.

Because of a larger than expected quantity of loan receipts in 1982, the 3 cents per pound contribution received during 1982 was found insufficient to cover losses expected from the disposition of the 1982 crop, Rank said.

The Flue-Cured Tobacco Cooperative Stabilization Corporation had recommended a 6-cent contribution, but after USDA consulted the corporation, the contribution was increased to 7 cents. The 7-cent contribution for 1983's crop is expected to offset losses that might occur on the 1983 crop plus an amount to partially offset potential losses on the 1982 crop, Rank said.

For the 1983 and subsequent tobacco crops, two provisions of the 1982 act will go into effect:

— Owners of flue-cured tobacco farms who lease and transfer all or any part of a marketing quota must contribute to the no-net-cost fund an amount equal to the producer's contribution—7 cents per pound of quota transferred in 1983.

— Producers who market tobacco ineligible for price support because they have not agreed to contribute to the fund will be subject to the same penalty that applies to the marketing of excess tobacco. The penalty equals 75 percent of the previous year's average market price.

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USDA CEASES EFFORTS TO COLLECT DAIRY ASSESSMENT

WASHINGTON, Dec. 23—The U.S. Department of Agriculture announced today it has halted efforts to collect the Congressionally authorized 50-cent per hundredweight assessment on milk marketing. The action is in response to a temporary restraining order issued Dec. 21 in Columbia, S.C.

U.S. District Judge Matthew J. Perry ordered USDA to stop the collection after hearing arguments in a suit filed Dec. 17. The assessment was implemented on Dec. 1.

In a letter sent today to milk handlers, the USDA said any assessments received while the order is in effect would be held in escrow, pending further developments in the litigation.

The letter urged those responsible for the collection to maintain accurate records of all milk marketing while the order is in effect. They were also asked to consider establishing voluntary escrow accounts in which funds could be held for later payments to the Commodity Credit Corporation, should those payments become necessary.

A hearing on the case has been scheduled for Jan. 3 in Columbia.

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BLOCK REFUSES TO GIVE UP ON PAYMENT-IN-KIND

WASHINGTON, Dec. 23—Secretary of Agriculture John R. Block said today that lack of congressional action on the administration's payment-in-kind (PIK) program forces a delay in the program decision.

We're disappointed that Congress did not give us the legislative clarification that we requested before it adjourned, "Block said. "We are encouraged, however, by the significant support we have received for the plan from farmers and most members of Congress.

"Farmers want action, President Reagan wants action and I want action. I refuse to give up on the PIK program. The president has given us his full support as we forge ahead with the steps necessary to lead agriculture out of its current situation.

"We remain convinced the only way to get the higher prices farmers deserve is to take hold, innovative actions to reduce burdensome stocks

dramatically. PIK offers the ability to accomplish this goal. Obviously the lack of congressional action complicates our efforts.

"Producers should know, hoewever, that we are working to see if the PIK program can be designed to fit within existing authorities. We'll have an answer on whether we can offer farmers a fully effective, attractive PIK program soon," Block said.

A PIK program would offer commodities to farmers for reducing their planted acreage beyond what is called for in the existing 1983 programs for wheat, corn grain sorghum, rice and upland cotton.

Farmers who intend to participate in the 1983 programs should continue to sign up for the existing programs at their local USDA Agricultural Stabilization and Conservation Service offices.

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OFFICIAL NAMED FOR SMALL COMMUNITY AND RURAL DEVELOPMENT

WASHINGTON, Dec. 23—Secretary of Agriculture John R. Block today announced the appointment of James H. Johnson, 39, as acting deputy under secretary of agriculture for small community and rural development.

Johnson will report to Under Secretary Frank Naylor, with whom he will share general oversight of the Farmers Home Administration, the Rural Electrification Administration, the Federal Crop Insurance Corporation and the Office of Rural Development Policy.

Johnson has been employed with USDA since early 1981 as a special assistant to Block. He handled a variety of special assignments and had responsibility for implementing the president's economic recovery program within the USDA,

He handled a variety of assignments, including liaison with the White House, Congress and agricultural trade associations, paperwork reduction and debt collection management.

A native of Jones County, Miss., Johnson, before coming to Washington, was president of the Johnson Development and Construction Corporation, home builders and commercial contractors.

He was vice president of a real estate brokerage and interior design firm, and vice president of a contract clearing service in Mississippi.

Johnson is a former director of the Laurel, Miss., Chamber of Commerce and served as an official on civic boards and groups including the United Givers Fund, Rotary and the Boy Scouts of America.

Johnson resides in Arlington County, Va., with his wife and three children.

In his new post, Johnson replaces Ruth Reister, who left federal service earlier this month to return to her home and private business in Minneapolis.

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USDA EXECUTIVES TO RECEIVE CASH BONUSES FOR OUTSTANDING PERFORMANCE

WASHINGTON, Dec. 29—The U.S. Department of Agriculture has selected 54 career employees who are members of the senior executive service to receive cash bonuses for outstanding performance during fiscal 1982.

According to USDA Deputy Secretary Richard Lyng, the bonuses, which total about $396,000, range from $6,264 to $11,130 and will be paid before the first of the year.

Lyng said legislation authorizes special recognition, awards and incentive payments only to members of the senior executive service who hold career appointments.

Individual USDA agencies submitted performance appraisals of their senior executives for review by the department's performance review boards. The boards send their bonus recommendations to Secretary of Agriculture John R. Block, who makes the final decisions on bonus recipients.

Individuals who will receive cash bonuses are:

Agency	Name	Bonus Amount
Agricultural Marketing Service	William T. Manley	$ 9,360
	Eddie F. Kimbrell	6,435

Individuals who will receive cash bonuses are—Continued

Agency	Name	Bonus Amount
Animal and Plant Health Inspection Service	William Helms	6,264
	Donald Husnik	6,264
	James O. Lee, Jr.	6,435
Agricultural Research Service	Thomas J. Army	6,435
	William G. Chace	6,435
	HC Cox	6,435
	Paul J. Fitzgerald	6,435
	Edward B. Knipling	6,435
	Donald E. Moreland	6,435
Agricultural Stabilization and Conservation Service	Fred Plybon	9,360
Cooperative State Research Service	Clare I. Harris	6,435
	Edward Miller	6,435
Extension Service	Merill J. Petoskey	9,360
Foreign Agricultural Service	Jimmy D. Minyard	6,435
	Donald J. Novotny	6,435
	George E. Rossmiller	6,435
Farmers Home Administration	Clarance Squallati	6,435
Food and Nutrition Service	Gene Dickey	9,360
	Andrew P. Hornsby	6,264
Forest Service	Leon Anderson	6,435
	J. Lamar Beasley	6,435
	Robert E. Buckman	6,435
	John Ohman	6,435
	R. Max Peterson	11,115
	Robert D. Raisch	6,435
	William L. Rice	6,264
	F. Dale Robertson	6,435
	Keith Shea	9,360

Individuals who will receive cash bonuses are—Continued

Agency	Name	Bonus Amount
Forest Service	Jeff Sirmon	6,435
	Zane G. Smith	6,435
Food Safety and Inspection Service	Luverne L. Gast	9,360
	Donald L. Houston	11,115
	Maurice C. McNay	6,435
	Merlin A. Nelson	6,435
Office of Budget and Program Analysis	Stephen B. Dewhurst	11,115
	Lawrence Wachs	6,435
Office of Finance and Management	John E. Carson	6,435
Office of General Counsel	James F. Hinchman	9,360
	James J. Kelly	6,435
Office of Governmental and Public Affairs	Claude W. Gifford	11,115
Office of Operations	Frank Gearde, Jr.	6,435
Office of the Secretary	J. Dawson Ahalt	11,130
Packers & Stockyards Administration	James L. Smith	6,264
Rural Electrification Administration	Joseph S. Zoller	6,435
Soil Conservation Service	Galen Bridge	6,435
	Dennie Burns	6,264
	Robert Halstead	9,360
	Edgar H. Nelson	6,264
	David Unger	9,360
Statistical Research Service	Donald W. Barrowman	6,435
	Raymond R. Hancock	6,435
	William E. Kibler	6,435

#

USDA TO TIGHTEN FOOD STAMP REDEMPTIONS AND HIT BLACK MARKET

WASHINGTON, Dec. 29—A special effort will begin Jan. 1 to monitor redemption of food stamps at commercial banks and reduce the potential black market value of the stamps.

Samuel J. Cornelius, administrator of the U.S. Department of Agriculture's Food and Nutrition Service, said today an expanded nationwide monitoring system will help his agency tighten the rules grocers must follow when redeeming food stamps at the banks.

This will reduce the potential black market value of food stamps, said Cornelius, because it will be harder to redeem the stamps for cash at commercial banks.

Expanded monitoring also will help authorities keep better track of the $11 billion in food stamps spent each year. Cornelius said the monitoring system will help put an end to "the redemption of food coupons from grocers without the required documentation."

"Because of this practice, it is possible that illegally obtained food stamps have been redeemed for dollars at some banks," he said.

USDA designed and tested the expanded monitoring system in cooperation with the Federal Reserve Bank.

"While the vast majority of stores and banks comply with requirements, the system will give investigators the information they need to pinpoint quickly any stores or banks that are improperly redeeming food stamps. It will also help identify any stores that are trafficking in illegally obtained food stamps," he said.

Cornelius said the new monitoring system will provide a better record of how many food stamps are spent at 225,000 stores and redeemed at 13,000 banks. The USDA Food and Nutrition Service computer center in Minneapolis stores and compiles this information and makes it available to program managers.

Cornelius said the expanded monitoring system will directly affect stores and banks but will not affect the 7.5 million households using food stamps.

When the first phase of the system is initiated, commercial banks and federal reserve banks will make administrative changes in the handling of food stamps. These changes will facilitate the flow of information on food stamp redemptions to the USDA computer.

Next, over an 18-month period, new food stamp redemption certificates will be issued to all grocers participating in the program. The new forms will be easier to fill out than the old forms, and they are designed to reduce the incidence of error.

Commercial banks will be issued new forms that will immediately flag any commercial bank that has redeemed coupons without documentation.

Then, the USDA food and nutrition agency will install a sophisticated optical scanner that will automatically read the 2 million documents processed by the agency's computer center each month.

"We have tested the new system in Georgia with the cooperation of the Federal Reserve Bank of Atlanta since April 1981. We know it works," said Cornelius.

"For example," he said, "using the new system, we determined that a number of banks had redeemed a significant amount of food stamps without proper documentation. When we informed the banks, they quickly stopped the practice."

#

USDA LISTS STATES TO ENFORCE SWINE HEALTH REGULATIONS

WASHINGTON, Dec. 30—U.S. Department of Agriculture officials have designated 36 states to have primary enforcement responsibility for regulating the treatment and feeding of garbage to swine.

John K. Atwell, deputy administrator of USDA's Animal and Plant Health Inspection Service, said these states have swine health regulations that meet minimum standards established by the Swine Health Protection Act. These standards require cooking of food wastes fed to swine.

Atwell said that where states do not have primary enforcement responsibility, swine producers must comply with federal standards under the act.

"Most states either prohibit the feeding of food wastes to swine or require standards of treatment that meet or exceed those required by the act," Atwell said.

Atwell said the purpose of the act is to prevent the spread of swine diseases through uncooked or inadequately cooked garbage that is fed to swine.

Fifteen states with primary enforcement responsibility prohibit garbage feeding to hogs. They are Alabama, Delaware, Georgia, Idaho, Illinois, Iowa, Louisiana, Maryland, Mississippi, Nebraska, New York, South Carolina, Tennessee, Virginia and Wisconsin.

Twenty-one other states will issue permits and enforce state rules that meet federal standards. They are Arizona, California, Colorado, Florida, Hawaii, Indiana, Kansas, Kentucky, Michigan, Missouri, Montana, Nevada, New Jersey, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Texas, Utah and West Virginia.

In four other states—Alaska, Arkansas, Minnesota and Washington—and in Puerto Rico, animal health officials may issue licenses under cooperative agreements with USDA. Otherwise, APHIS inspectors will assume responsibility for enforcement of garbage cooking and sanitation regulations.

The basic federal standards require cooking of garbage for 30 minutes at 212 degrees Fahrenheit and set rules for cleaning and disinfecting equipment and swine feeding premises. People feeding only their own domestic table scraps to swine are not affected by the regulations.

Swine health regulations under the act become effective Jan. 1. Written comments may be submitted until March 1 to the deputy administrator for veterinary service, USDA, Room 728 Federal Building, 6506 Belcrest Rd., Hyattsville, Md. 20782.

Notice of this action is scheduled to be published in the Dec. 30 Federal Register.

#

CCC SELLS 60,000 TONS OF NON-FAT DRY MILK TO MEXICO

WASHINGTON, Dec. 30—The Commodity Credit Corporation today sold 60,000 metric tons of non-fat dry milk to CONASUPO, the Mexican government food purchasing agency, said Richard Lyng, deputy secretary of agriculture.

The milk, part of CCC's surplus inventory, was sold for $850 per ton f.o.b. railcar at U.S.-Mexican border points. Deliveries will be made from April through December 1983, Lyng said.

The sale provides for credit terms of up to 16 months with interest at one-quarter percent over the U.S. prime rate. As of Dec. 17, CCC's uncommitted inventory of non-fat dry milk totaled about 558,790 tons.

#

MEAT IMPORTS ESTIMATED TO BE BELOW QUOTA TRIGGER LEVEL IN 1983

WASHINGTON, Jan. 3—U.S. meat imports for 1983 are estimated below the level that would require restraints on imports under the Meat Import Act of 1979, Secretary of Agriculture John R. Block said today.

Block said based on estimates of available supplies, imports of beef and certain other meats should total not more than 1,224 million pounds. The trigger level for 1983 is 1,231 million pounds.

The Meat Import Act requires the president to restrict imports of certain meats—primarily beef and veal—if USDA estimates imports of those meats will equal or exceed 110 percent of a stated level.

"Based on today's estimate, there is no need to impose restrictions during the quarter beginning Jan. 1," Block said. "Our analysis of conditions in this country and abroad indicates there will be no need for import restrictions to be put in place during the first quarter of the year."

USDA makes a new estimate of meat imports before each calendar quarter. Subsequent estimates will be made in March, June and September and announced on or before the first day of each succeeding month.

No import restrictions on meat imports were imposed during 1980 and 1981. During 1982, voluntary restraint agreements were signed with Australia and New Zealand to control the total supply of imported meat. Final data on actual 1982 meat imports should be available soon, Block said.

The following table shows imports of meat subject to the law, by month.

Month	1979	1980	1981	1982
		Million pounds		
January	120.9	144.3	79.5	55.5
February	134.2	107.0	109.2	67.5
March	151.5	97.1	90.6	127.9
April	142.4	101.9	107.6	119.2
May	144.6	105.0	81.9	86.0
June	139.4	99.5	98.1	160.6
July	120.7	146.0	112.2	99.2
August	104.9	123.4	102.1	133.8
September	84.8	100.5	114.1	237.4
October	122.5	132.4	122.7	126.6
November	132.0	104.6	97.3	33.9
December	155.9	169.3	101.6	--
TOTALS*	1,553.8	1,431.0	1,216.8	

#

CCC LOAN INTEREST RATE LOWERED TO 9 PERCENT

WASHINGTON, Jan. 3—Commodity and farm storage loans disbursed in January by the U.S. Department of Agriculture's Commodity Credit Corporation will carry a 9 percent interest rate, according to CCC Executive Vice President Everett Rank.

The new rate, down from 9-1/8 percent, reflects the interest rate charged CCC by the U.S. Treasury in January, Rank said.

The interest rate on outstanding 1981 and 1982 crop commodity loans and farm facility loans disbursed since April 1, 1981, were automatically adjusted to the 9 percent rate, effective Jan. 1, Rank said.

#

USDA ANNOUNCES 1983 RICE PROGRAM

WASHINGTON, Jan. 4—Secretary of Agriculture John R. Block today announced a 1983 rice program which provides for a 15 percent acreage reduction and a 5 percent paid land diversion.

To be eligible for loans, purchases and payments on the 1983 rice crop, producers need to comply with program requirements, he said.

Block said the target price for 1983-crop rice will be $11.40 per hundredweight and the loan and purchase rate $8.14 per hundredweight. The $11.40 target is the minimum permitted by law, he said.

For the 1982 crop, the target price and loan and purchase rate were set at $10.85 and $8.14, respectively.

Block said U.S. 1982-crop rice exports have been sharply below earlier expectations. He said U.S. rice is not competitive in world markets and exports are not expected to icrease in 1983 as the result of high minimum support prices which are mandated by law.

Block said the loan and purchase rate is being maintained at the 1982-crop level due to the export outlook. The loan rate schedule of premiums and discounts for grade and the loan values for whole and broken kernels will be announced before March 1.

Under the acreage reduction and paid land diversion programs, producers must limit rice acreage planted for harvest to no more than 80 percent of the farm's rice base. Producers must devote to conservation uses an acreage equal to the acreage reduction and land diversion requirements.

Block said the land diversion payment will be based on a $2.70 per hundredweight payment rate times the farm program yield times the diverted acreage.

At the time producers sign up for the program, they may request an advance of 50 percent of the diversion payment and 50 percent of the projected deficiency payment. The projected deficiency payment rate is estimated at $3.26 per hundredweight.

A producer accepting an advance payment and who later does not comply with program provisions must refund the amount of the advance payment with interest. Interest charged will be the rate in effect for commodity loans on the date of the advance payment, plus five percentage points.

The Omnibus Budget Reconciliation Act of 1982 provides that the 1983 rice acreage base for a farm shall to be the base which was established for the farm for the 1982 rice crop. Block said adjustments would be permitted on a case-by-case basis with respect to rice acreage bases which are established for farms in order to provide for crop rotation for the control of red rice.

Neither cross compliance nor offsetting compliance will apply to the 1983 rice program, he said.

Land designated for conservation use must have been devoted to row crops or small grains in two of the last three years. Land designated as conservation use acreage in the 1982 rice program and on which a permanent conservation practice was carried out will be regarded as having been cropped. If the permanent conservation practice is maintained, such acreage will be eligible as conservation use acreage through the 1985 crop year.

Grazing will be authorized on conservation use acreage except during a designated six-month non grazing period. Haying will not be authorized.

#

MORE MEXICAN CITRUS ALLOWED ENTRY TO MOST OF U.S.

WASHINGTON, Jan. 4—Beginning Jan. 20, Persian limes, lemons, grapefruit, oranges and tangerines from areas in Mexico not infected with citrus canker may be imported into those United States where no significant amounts of citrus are grown, U.S. Department of Agriculture officials said today.

Formerly, Persian limes and lemons were prohibited entry altogether, said Harvey L. Ford, deputy administrator of USDA's Animal and Plant Health Inspection Service.

Citrus canker is a serious citrus disease not found in the United States. A strain of the disease was reported on key lime trees in the Mexican state of Colima and some nearby areas last July.

"Even though the disease was detected only on key limes, we initially had to prevent entry of all Mexican citrus, pending

establishment of safeguards to prevent spread to the United States," Ford said. "We later relaxed the restrictions on grapefruit, oranges and tangerines."

Ford said the new action is an amendment to an interim rule. It provides that Persian limes, lemons, grapefruit, oranges and tangerines may be shipped anywhere in the United States except Arizona, California, Florida, Hawaii, Louisiana, Puerto Rico, Texas and the U.S. Virgin Islands—provided the fruit is free of plant debris and disinfected.

Shipments may, however, transit the citrus-growing states on the way to final destinations. No key limes from anywhere in Mexico and no citrus fruit from Colima and other infected areas in Mexico may enter.

Grapefruit, oranges and tangerines from outside Colima and other infected areas were allowed entry anywhere in the United States beginning Sept. 22, provided they were free of debris and disinfected, and were from uninfected areas of Mexico.

"It is highly unlikely that shipments of these fruits could carry the disease," Ford said, "but as an added safeguard we have decided to place the same destination restrictions on them as on Persian limes and lemons, which are more closely related to key limes."

This amendment takes effect 15 days after publication in the Federal Register, which is scheduled for Jan. 5. The interim rule was published Nov. 17, 1982.

#

IMPORT QUARANTINES TIGHTENED FOR SOUTH AND CENTRAL AMERICAN HORSES

WASHINGTON, Jan. 4—A U.S. Department of Agriculture animal health official today announced tighter import requirements for horses from South and Central America.

John K. Atwell, deputy administrator of USDA's Animal and Plant Health Inspection Service, said importers will no longer be permitted to quarantine horses from Central and South America on privately owned premises in the United States.

"Horses from Central and South America may be carriers of Venezuelan equine encephalitis, which can be spread by insect bites," Atwell said. "We no longer have the staff to monitor quarantines at private stables and farms."

Atwell said such premises were required to meet USDA standards for isolation, security and protection from insects.

"Unfortunately, some importers may be tempted to take the horses out prematurely for training purposes," Atwell said. "This could risk exposure of other horses to the disease."

Atwell said South and Central American horses, and those that have been in that region, will have to be imported through official USDA-operated animal import centers at Miami, Fla., Newburgh, N.Y., and Honolulu, Hawaii.

Comments on this action should be sent by March 7 to: Deputy Administrator for veterinary services, APHIS, USDA, room 728 Federal Building, 6505 Belcrest Rd., Hyattsville, Md. 20782. The regulation change is scheduled to be published in the Jan. 7 Federal Register.

#

STUDY SHOWS BOXED BEEF ACCOUNTS FOR 49 PERCENT OF USDA-INSPECTED BEEF SLAUGHTER

WASHINGTON, Jan. 5—A U.S. Department of Agriculture study shows that boxed beef accounted for 49 percent of all federally inspected slaughter of steers and heifers in 1979.

Boxed beef is a process in which primal—major—cuts or subprimal cuts are sealed in air tight plastic bags and shipped from packing plants to distributors and retailers in boxes rather than in carcass form.

B.H. Jones, head of USDA's Packers and Stockyards Administration, said the agency compiled the study from data obtained from slaughterhouses and fabricators because of widespread interest in this fast-growing form of marketing. A fabricator is a meat packer that breaks carcasses into primal cuts.

"This is the first study of this type on boxed beef," Jones said. "It is descriptive rather than analytical. Our objective was to obtain much

needed basic information and to provide a reliable data base for possible further research."

The study shows that 54 firms with 82 plants—located mostly in Iowa, Kansas, Nebraska and Texas, and doing both slaughtering and fabricating—accounted for 86 percent of all boxed beef production. Another 51 single-plant firms—mostly in larger eastern cities and engaged only in fabricating -accounted for 14 percent.

Prices were negotiated at the time of sale for about 85 percent of all boxed beef included in this study, Jones said.

In contrast, 35 packing plants surveyed in 1977 by USDA sold 70 percent of their steer and heifer carcasses on a formula basis.

A negotiated price is determined by one-on-one bargaining at the time the product is sold. A formula price is usually the price published for a product by a specified market news service.

Although the boxed beef process was first tried in the 1960's, it did not become commercially successful until the past decade, Jones said.

Free single copies of the study are available from: Packers and Stockyards Administration, USDA, Washington, D.C. 2O250; phone: (202) 447-7051.

#

UNDER SECRETARY LODWICK ANNOUNCES RESIGNATION

WASHINGTON, Jan. 5—Seeley G. Lodwick, under secretary of agriculture for international affairs and commodity programs, today submitted his resignation following two years of service in the U.S. Department of Agriculture.

"We now have an aggressive export program in progress and a solid foundation is being laid for the farm programs for 1983 and 1984," Lodwick said. "I was happy to have played a role in the development of these important initiatives. Now, it is time to move on to some of the other challenges and pursuits in which I have wanted to become involved."

Secretary of Agriculture John R. Block requested that Lodwick remain in his position until a replacement has been found.

"Under Secretary Lodwick has played a significant role in our goal to expand agricultural exports," Block said. "During his two years with USDA, he has worked on 14 international assignments laying the groundwork for expanding exports in 25 countries. Through his efforts, these export outlets will become very beneficial to American agriculture as the world recovers from its current recession. And, equally important, are his contributions to the domestic farm programs which are designed to give agriculture the tools it needs as it moves toward recovery."

In a statement prepared for distribution to employees within the agencies under his direction, Lodwick said:

"For this country and this administration, and for all of us, the path to a greater future lies ahead. Untapped potential and resources await our encouragement, development and leadership. These opportunities exist in both the private and public sectors. I look forward to being a constructive part of this stimulating action.

"I would certainly like to commend the fine men and women with whom I have worked over the past two years starting, of course, with Secretary of Agriculture John R. Block. He brought the voice of the farmer to the department, a voice which had been missing for too long of a time. I will always take great pride in reflecting upon my service with him.

"I also want to commend the three administrators who have very capably served under my direction—Everett Rank of the Agricultural Stabilization and Conservation Service, Richard Smith of the Foreign Agricultural Service and Joan Wallace of the Office of International Cooperation and Development. I wish that I had the opportunity to thank all of you individually for the great dedication which you have shown in your service to agriculture. I'm talking about my associates within the department, my colleagues in government, and those in the private sector.

"Since 1607 and that first dreadful, starving winter at Jamestown, this nation has survived many great, and not so great, moments that make up our history. Those include 16 wars and rebellions, 10 financial panics, and six assassinations to name a few. But, with each such moment of hardship or controversy, our nation emerged as a stronger, more constructive force for the benefit of mankind.

"Today, I am looking forward to playing an even greater role in helping to build that better future."

#

CORNELIUS NAMED SPECIAL ASSISTANT TO THE SECRETARY OF AGRICULTURE

WASHINGTON, Jan. 5—Samuel J. Cornelius, administrator of USDA's Food and Nutrition Service since March 18 has been named as a special assistant to Secretary of Agriculture John R. Block, effective today.

Cornelius will assume the position vacated by James Johnson who recently was named deputy under secretary for small community and rural development.

In his new position Cornelius will assist Secretary of Agriculture John R. Block in the areas of private sector initiatives, consumer services, rural development, minority affairs and economic recovery initiatives.

"I discussed this position with Cornelius some time ago and I am pleased that he has agreed to assist me personally in these vital areas as a member of my staff," Block said.

Robert E. Leard, associate administrator of USDA's Food and Nutrition Service, has been named acting administrator pending the selection of Cornelius' replacement.

Previous to his assignment with Food and Nutrition Service, Cornelius worked at the White House in the Office of Presidential Personnel. Before that he served as deputy director of the Community Services Administration.

Cornelius served in President Ford's administration as deputy director, Office of Minority Business Enterprise in the Department of Commerce.

Born in Kansas City, Mo., Cornelius earned a bachelor of science degree at Anderson College in Anderson, Ind.

#

DELTA AIRLINES CHARGED WITH VIOLATING ANIMAL WELFARE ACT

WASHINGTON, Jan. 6—Delta Airlines, Inc., of Atlanta, Ga., has been charged by U.S. Department of Agriculture officials with violating federal animal transportation standards under the Animal Welfare Act.

Dr. Richard Rissler, a veterinarian directing field animal care activities for USDA's Animal and Plant Health Inspection Service, said Delta was cited in connection with a shipment of two dogs from Little Rock, Ark., to Portland, Ore., on March 15, 1982. The dog crates were neither structurally sound nor large enough for the animals, Rissler said.

Delta officials have 20 days to respond to the USDA charge and can request a hearing before an administrative law judge. Failure to respond constitutes admission of the charge. USDA is seeking civil penaties and an order from a federal administrative law judge for Delta to cease and desist from future violations, Rissler said.

Under the Animal Welfare Act, all common carriers who accept live animals for transportation are required to comply with federal transportation standards.

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USDA RELEASES COST OF FOOD AT HOME FOR NOVEMBER 1982

WASHINGTON, Jan. 6—The U.S. Department of Agriculture today released its monthly update of the weekly cost of food at home for November 1982.

USDA's Human Nutrition Information Service computes the cost of food at home for four food plans—thrifty, low-cost, moderate-cost and liberal.

Esther Winterfeldt, administrator of the Human Nutrition Information Service, said the plans consist of foods that provide well-balanced meals and snacks for a week.

USDA assumes all food is bought at the store and prepared at home. Costs do not include alcoholic beverages, pet food, soap, cigarettes, paper goods and other nonfood items bought at the store.

"USDA costs are only guides to spending," Winterfeldt said. "Families may spend more or less, depending on such factors as where they buy their food, how carefully they plan and buy, whether some food is produced at home, what foods the family likes and how much food is prepared at home.

"Most families will find the moderate-cost or low-cost plan suitable," she said. "The thrifty plan, which USDA uses to set the coupon allotment in the food stamp program, is for families with less money for food. Families with unlimited resources might use the liberal plan."

Details of the four food plans are described in Home and Garden Bulletin No. 94, "Family Food Budgeting. . .for Good Meals and Good Nutrition," which may be purchased for $2.50 each from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

Cost Of Food At Home For A Week In November 1982

	Plans			
	Thrifty	Low-cost	Moderate-cost	Liberal
Families:				
Family of 2 (20-54 years)	$33.7	$43.6	$54.6	$65.20
Family of 2 (55 years and over)	30.3	38.8	48.1	57.20
Family of 4 with preschool children	47.7	61.1	76.2	91.00
Family of 4 with elementary school children	57.7	74.0	92.8	110.60
Individuals in four-person families:				
Children:				
1-2 years	7.7	9.8	12.1	14.30

Cost Of Food At Home For A Week In November 1982—Continued

	Plans			
	Thrifty	Low-cost	Moderate-cost	Liberal
Individuals in four-person families:				
Children:—continued				
3-5 years	9.4	11.7	14.5	17.40
6-8 years	12.0	15.3	19.1	22.80
9-11 years	15.1	19.1	23.9	28.50
Females:				
12-19 years	14.2	18.1	22.3	26.60
20-54 years	13.7	17.7	22.0	26.20
55 and over	12.5	16.0	19.7	23.30
Males:				
12-14 years	16.0	20.3	25.3	30.20
15-19 years	17.6	22.3	28.0	33.60
20-54 years	16.9	21.9	27.6	33.10
55 and over	15.0	19.3	24.0	28.70

To estimate your family food costs

— For members eating all meals at home—or carried from home—use the amounts shown.

— For members eating some meals out, deduct 5 percent from the amount shown for each meal not eaten at home. Thus, for a person eating lunch out five days a week, subtract 25 percent, or one-fourth the cost shown.

— For guests, add 5 percent of the amount shown for the proper age group for each meal.

Costs in the second part of the chart are for individuals in four-person families. If your family has more or less than four, total the "individual" figures and make these adjustments, because larger families tend to buy and use food more economically than smaller ones:

— For a one-person family, add 20 percent.

— For a two-person family, add 10 percent.
— For a three-person family, add 5 percent.
— For a family of five or six persons, subtract 5 percent.
— For a family of seven or more, subtract 10 percent.

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COMMUNITY SERVICE IS PRIVATE CITIZENS' RESPONSIBILITY, SAYS USDA OFFICIAL

ATLANTA, Jan. 7—The responsibility for community service falls heavily on private citizens in rural America, Assistant Secretary Wilmer D. Mizell said today at the 52nd national convention of Ruritan National.

Mizell said the time has come when a constructive partnership of public and private resources—both human and financial—must be forged to solve the problem of the American community.

Lauding Ruritan National for its "enormous achievements in the service of rural America," Mizell said:

"The time has passed when every problem of American society can be laid at the government's doorstep. The time has come when public servants like me and and private servants like you must work together to meet the challenges that face our country."

Mizell said USDA will submit to Congress later this month its recommendations for a new rural development strategy. The recommendations were developed after meeting with thousands of leaders from rural America, he said.

The administration's approach to rural development reflects the belief that community diversity and self-reliance are the foundation of success in rural development, Mizell said in the convention's keynote address.

Mizell, who once represented part of northwestern North Carolina in Congress, is USDA assistant secretary for governmental and public affairs.

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